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EXAMINER
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HAMILTON, LALITA M

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/750,768  
Filing Date: December 29, 2000  
Appellant(s): WAELBROECK ET AL.

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Pristine S. Johannessen  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed June 3, 2008 appealing from the Office action mailed June 14, 2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

Shaw	2003/0004859	2-2003
Condamoor	7,003,486	2-2006
Lupien	5,950,177	9-1999

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 31-38 are rejected under 35 U.S.C. 102(e) as being anticipated by Shaw (US 2003/0004859).

Shaw discloses a method of electronically receiving data including confidential information regarding market participants, storing said received data regarding market participants, receiving an order-related query from a first market participant, based on the received data regarding market participants, calculating an estimate of a probability of execution if the order were routed to market participants based on the query, and electronically reporting the probability to the first market participant (p.8, 142 to 146 and p.9, 156-161); and electronically receiving data comprising an electronically executable order from a first market participant, electronically storing the received data in a database, electronically receiving from a second market participant data comprising one or more conditions on orders, searching the database for electronically executable orders to satisfy the conditions, electronically designating electronically executable

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orders found in the search as being reserved, the designated electronically executable orders comprising the electronically executable order received from the first market participant, and electronically routing the designated electronically executable orders to the second market participant (p.8, 142 to 146 and p.9, 156-161); probability of execution is calculated based on a count of number of orders delivered versus number of executions for different types of orders (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175); electronically reporting an estimate of the price impact following the delivery of an order based on said query to said first market participant (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175); electronically receiving data comprising order status information from said second market participant (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175); reporting order execution to said first market participant if said order status information indicates that said order received from said first market participant was executed (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175); removing the designation of being reserved from an order if said order status information indicates that the order was released by said second market participant (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175); and one or more call auction event times, electronically storing said received data regarding said first market participant, electronically receiving an order from a second market participant, routing said Order to said first market participant at a time within a configurable time window surrounding one of said one or more call auction event times (p.4, 50; p.5, 71-79; p.6-7, 101; p.7, 122 to p.8, 142; p.9, 162 to p.10, 170-175).

**Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-2 and 4-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw (US 2003/0004859) in view of Condamoor (7,003,486).

Shaw discloses the invention substantially as claimed. Shaw further discloses identifying said second market participant as a market participant that is most likely to take a contra side of said electronically executable order and as unlikely to use information regarding said order in a manner that would affect the price or availability of said security (p.4, 48-50 and p.5, 72-79). Shaw does not disclose wherein no information regarding said second market participant or confidential trading information received from said second market participant is transferred to said first market participant or said second market participant is a market maker, and wherein said step of comparing data provided by a plurality of market participants comprises the step of

netting out middlemen to identify an end buyer and an end seller in a trade results in identifying net market position of said market maker. Condamoor teaches an electronic trading system wherein no information regarding said second market participant or confidential trading information received from said second market participant is transferred to said first market participant (col.6, lines 10-20 and col.8, lines 25-32) and an electronic trading system wherein said second market participant is a market maker, and wherein said step of comparing data provided by a plurality of market participants comprises the step of netting out middlemen to identify an end buyer and an end seller in a trade results in identifying net market position of said market maker (the second market participant may be the market maker by setting price based on supply and demand and matches are made by the system made on best match--col.1, lines 20-50). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the teachings of Condamoor within Shaw for the motivation of allowing the users and their trading information to have the option of remaining completely anonymous during the transactions.

Claims 25-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shaw and Condamoor as applied to claim 2 above, and in further view of Lupien (5,950,177).

Shaw discloses the invention substantially as claimed; however, Shaw does not disclose ranking market participants on said targeted dissemination list in order of likelihood of taking the contra side of said order and if said identified second market participant does not execute said order, successively routing said order to the remaining

market participants on said ranked targeted dissemination list, in order of likelihood of taking the contra side of said order, until said order is executed; ranking is based on probability of execution; or probability of execution is calculated based on a count of number of orders delivered versus number of executions for different types of orders. Lupien teaches a method for matching orders comprising ranking market participants on said targeted dissemination list in order of likelihood of taking the contra side of said order and if said identified second market participant does not execute said order, successively routing said order to the remaining market participants on said ranked targeted dissemination list, in order of likelihood of taking the contra side of said order, until said order is executed (col.3, line 49 to col.4, line 51); ranking is based on probability of execution (col.3, line 49 to col.4, line 51); and probability of execution is calculated based on a count of number of orders delivered versus number of executions for different types of orders (col.3, line 49 to col.4, line 41 ). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the teachings of Lupien within Shaw for the motivation of demonstrating an alternative way of matching the orders successfully.

#### **(10) Response to Argument**

The Appellant argues that none of the references disclose or teach:

1. A computer-implemented method of managing market information, comprising the steps of:
  - (a) electronically receiving data including confidential information regarding market participants, wherein said data regarding market participants comprises data regarding



a first market participant and a second market participant;

(b) electronically receiving an electronically executable order and targeting parameters from said first market participant;

(c) electronically receiving confidential trading interest information from said second market participant;

(d) identifying said second market participant as a market participant that is most likely to take a contra side of said electronically executable order and as unlikely to use information regarding said order in a manner that would affect the price or availability of said security, wherein said step of identifying is based, at least in part, on said received confidential information regarding market participants; and

(e) routing said electronically executable order to said identified second market participant without revealing said first market participant's identity or other confidential information regarding said first market participant to said second market participant, and wherein no information regarding said second market participant or said confidential trading interest information received from said second market participant is transferred to said first market participant.

2. A method as in claim 1, further comprising the step of producing a targeted dissemination list of market participants based, at least in part, on said received confidential information regarding market participants and said electronically executable order and targeting parameters, and wherein the step of identifying a second market participant that is most likely to take a contra side of said electronically executable order is based on said dissemination list

4. A method as in claim 1, wherein said confidential trading interest information comprises certified trading interest information 5. A method as in claim 1, wherein said confidential trading interest information comprises a time of a call

25. A method as in claim 2, further comprising the steps of:

(c) ranking market participants on said targeted dissemination list in order of likelihood of taking the contra side of said electronically executable order; and

(d) if said identified second market participant does not execute said electronically executable order, successively routing said electronically executable order to the remaining market participants on said ranked targeted dissemination list, in order of likelihood of taking the contra side of said electronically executable order, until said electronically executable order is executed.

31. A method of managing market information, comprising the steps of:

(a) electronically receiving data including confidential information regarding market participants;

(b) electronically storing said received data regarding market participants;

(c) electronically receiving an order-related query from a first market participant;

(d) based on said received data regarding market participants, calculating an estimate of a probability of execution if the order were routed to market participants based on said query; and

(e) electronically reporting said probability to said first market participant.

34. A method of managing orders in a securities market, comprising the steps of:

- (a) electronically receiving data comprising an electronically executable order from a first market participant;
- (b) electronically storing said received data in a database;
- (c) electronically receiving from a second market participant data comprising one or more conditions on orders;
- (d) searching said database for electronically executable orders that satisfy said conditions;
- (e) electronically designating electronically executable orders found in said search as being reserved, said designated electronically executable orders comprising said electronically executable order received from said first market participant; and
- (f) electronically routing said designated electronically executable orders to said second market participant.

38. A method of managing orders in a market, comprising the steps of:

- (a) electronically receiving data regarding a first market participant, said data comprising one or more call auction event times;
- (b) electronically storing said received data regarding said first market participant;
- (c) electronically receiving an electronically executable order from a second market participant; and
- (d) routing said electronically executable order to said first market participant at a time within a configurable time window surrounding one of said one or more call auction event times.

39. A method as in claim 22, wherein said second market participant is a market maker, and wherein said step of comparing data provided by a plurality of market participants comprises the step of netting out middlemen to identify an end buyer and an end seller in a trade results in identifying net market position of said market maker.

In response, the references disclose the following:

1. A computer-implemented method of managing market information, comprising the steps of:

(a) electronically receiving data including confidential information regarding market participants, wherein said data regarding market participants comprises data regarding a first market participant and a second market participant (Shaw-para.77 and 142—all information received from user);

(b) electronically receiving an electronically executable order and targeting parameters from said first market participant (Shaw-para.77 and 142—all information received from user);

(c) electronically receiving confidential trading interest information from said second market participant (Shaw-para.77 and 142—all information received from user and matched with interests of second market participant);

(d) identifying said second market participant as a market participant that is most likely to take a contra side of said electronically executable order and as unlikely to use information regarding said order in a manner that would affect the price or availability of said security, wherein said step of identifying is based, at least in part, on said received

confidential information regarding market participants (Shaw-para.142—participants are matched based on transactional interests); and

(e) routing said electronically executable order to said identified second market participant without revealing said first market participant's identity or other confidential information regarding said first market participant to said second market participant, and wherein no information regarding said second market participant or said confidential trading interest information received from said second market participant is transferred to said first market participant (Condamoor- col.6, lines 10-20 and col.8, lines 25-32— teaches that trade agents keep information about true values confidential from the exchange and from all other trading partners and disclose this information only to selected trading partners, if authorized to do so).

2. A method as in claim 1, further comprising the step of producing a targeted dissemination list of market participants based, at least in part, on said received confidential information regarding market participants and said electronically executable order and targeting parameters, and wherein the step of identifying a second market participant that is most likely to take a contra side of said electronically executable order is based on said dissemination list (Shaw-para.23 and 142--information is received from user and compared to transactional interests already in the database to identify a match)

4. A method as in claim 1, wherein said confidential trading interest information comprises certified trading interest information (Shaw-para.77 and 142—all trading information is used).

5. A method as in claim 1, wherein said confidential trading interest information comprises a time of a call (Shaw-para.77 and 142—time periods or duration of interest)

25. A method as in claim 2, further comprising the steps of:

(c) ranking market participants on said targeted dissemination list in order of likelihood of taking the contra side of said electronically executable order; and

(d) if said identified second market participant does not execute said electronically executable order, successively routing said electronically executable order to the remaining market participants on said ranked targeted dissemination list, in order of likelihood of taking the contra side of said electronically executable order, until said electronically executable order is executed (Lupien teaches ranking combinations based on mutual satisfaction and matches based thereon—col.4, lines 20-30).

31. A method of managing market information, comprising the steps of:

(a) electronically receiving data including confidential information regarding market participants (Shaw-para.77 and 142—all information received from user);

(b) electronically storing said received data regarding market participants (Shaw-para.77 and 142—all information received from users, stored, and matched);

(c) electronically receiving an order-related query from a first market participant (Shaw-para.77 and 142-database queried for match);

(d) based on said received data regarding market participants, calculating an estimate of a probability of execution if the order were routed to market participants based on said query (Shaw-para.77 and 141-142—probability may be any number or value; based on match of transactional interests); and

(e) electronically reporting said probability to said first market participant (Shaw-para.77 and 141-142—probability may be any number or value; information of orders reported to users).

34. A method of managing orders in a securities market, comprising the steps of:

(a) electronically receiving data comprising an electronically executable order from a first market participant (Shaw-para.77 and 142—all information received from user);

(b) electronically storing said received data in a database (Shaw-para.77 and 142—all information received from users and stored);

(c) electronically receiving from a second market participant data comprising one or more conditions on orders (Shaw-para.77 and 142—all information received from users, including conditions);

(d) searching said database for electronically executable orders that satisfy said conditions (Shaw-para.77 and 142—matched based on transactional interests);

(e) electronically designating electronically executable orders found in said search as being reserved, said designated electronically executable orders comprising said electronically executable order received from said first market participant (Shaw-para.77 and 142—matched based on transactional interests); and

(f) electronically routing said designated electronically executable orders to said second market participant (Shaw-para.77 and 142—matched based on transactional interests).

38. A method of managing orders in a market, comprising the steps of:

(a) electronically receiving data regarding a first market participant, said data comprising one or more call auction event times (Shaw-para.77 and 142—an auction includes

bidding, at which time all information received from users, including conditions, and matches are made based on transactional interests);

(b) electronically storing said received data regarding said first market participant (Shaw-para.77 and 142—all information received from users, including conditions);

(c) electronically receiving an electronically executable order from a second market participant (Shaw-para.77 and 142—all information received from users, including conditions and matches are made based from transactional interests); and

(d) routing said electronically executable order to said first market participant at a time within a configurable time window surrounding one of said one or more call auction event times (Shaw-para.77 and 142—an auction includes bidding, at which time all information received from users, including conditions, and matches are made based on transactional interests) .

39. A method as in claim 22, wherein said second market participant is a market maker, and wherein said step of comparing data provided by a plurality of market participants comprises the step of netting out middlemen to identify an end buyer and an end seller in a trade results in identifying net market position of said market maker (Condamoor—col.1, lines 20-50---the second market participant may be the market maker setting the price based on supply and demand and matches are made by the system by best match).

#### **(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.



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For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Lalita M Hamilton/

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